

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1421
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Higher Education and Energy, Economic Development, and Tourism, to which was referred S.B. No. 1421 entitled:

"A BILL FOR AN ACT RELATING TO DUAL USE TECHNOLOGY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create a Dual Use Technology Task Force within the Department of Business, Economic Development, and Tourism consisting of representatives from the University of Hawaii, Hawaii Technology Development Corporation, Department of Labor and Industrial Relations Workforce Development Task Force, and Hawaii's technological and business community to:
 - (A) Explore potential research on technologies that can be used for both peaceful and military purposes, also known as "dual use technology", and development projects for technology companies;
 - (B) Establish high-growth new venture company infrastructure development for dual use technology companies; and



- (C) Create ideas for high-income job opportunities for Hawaii residents and graduates of the State's educational institutions;
- (2) Require the Dual Use Technology Task Force to submit preliminary and final reports of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the regular sessions of 2023 and 2025, respectively; and
- (3) Appropriate funding for the operation and administration of the Dual Use Technology Task Force.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Hawaii Technology Development Corporation; Hyperspective Studios, Inc.; Nalu Scientific, LLC; Oceanit; and Premier Solutions HI, LLC. Your Committees received comments on this measure from one individual.

Your Committees find that technologies developed for military use have been and continues to be appropriated by businesses for commercialization with extraordinary success. However, the State's heavy dependence on its tourism and hospitality industry has taken its focus away from developing innovative concepts and new approaches to technology, as well as availing itself to the extraordinary opportunity to take advantage of the strong military presence in the State and the research conducted on its behalf. The establishment of the Dual Use Technology Task Force will promote the development of the dual use technology industry in Hawaii that is essential to the recovery, continued growth, and diversification of the State's economy.

Your Committees also acknowledge the testimonies regarding certain initiatives being taken by the Hawaii Technology Development Corporation and University of Hawaii, such as the Hawaii Small Business Innovation Research program that assists many Hawaii dual use technology businesses in securing federal Small Business Innovation Research funding, and the Hawaii Tech Bridge program, which is a new partnership with the Naval Information Warfare Center Pacific to facilitate new opportunities for Hawaii technology companies, including dual use technology companies, to provide solutions to the U.S. Navy. Your Committees



recognize the concerns raised in the testimonies regarding the establishment of the Dual Use Technology Task Force affecting these priorities set forth in the Executive Budget.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 3 to eliminate the appropriation for the operations and administration of the Dual Use Technology Task Force; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1421, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1421, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Higher Education
and Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



DONNA MERCADO KIM, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* <i>SB 1421</i>	Committee Referral: <i>HRE/EST, WAM</i>	Date: <i>2/11/21</i>
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
KIDANI, Michelle N. (VC)	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	<i>5</i>	<i>0</i>	<i>0</i>	<i>0</i>

Recommendation:
 Adopted
 Not Adopted

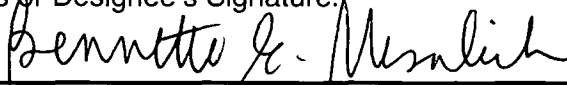
Chair's or Designee's Signature:


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*Only one measure per Record of Votes

The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 1421	Committee Referral: HRE/EET, NAM	Date: 2/11/21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris				✓
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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